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DEPARTMENT OF COMMERCE

International Trade Administration

[C-475-819]

Certain Pasta from Italy: Final Results, and Rescission, in Part, of Countervailing Duty Administrative Review; 2013

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

ACTION: Notice.

SUMMARY: The Department of Commerce (Department) has conducted an administrative review of the countervailing duty (CVD) order on certain pasta from Italy. On August 10, 2015, we published the *Preliminary Results* for this administrative review.¹ The period of review (POR) is January 1, 2013, through December 31, 2013. We find that DeMatteis Agroalimentare S.p.A. (also known as, De Matteis Agroalimentare SpA) (DeMatteis) received countervailable subsidies and La Molisana S.p.A. (La Molisana) received *de minimis* countervailable subsidies during the POR. These rates are shown below in the final results of review section. As discussed below, we are rescinding the review with respect to La Molisana Industrie Alimentari S.p.A. (LMIA).

DATES: *Effective Date:* [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Jennifer Meek or Joseph Shuler, AD/CVD Operations, Office I, Enforcement and Compliance, U.S. Department of Commerce, 14th Street

¹ See *Certain Pasta From Italy: Preliminary Results of Countervailing Duty Administrative Review, Rescission in Part, and Preliminary Intent to Rescind in Part; 2013*, 80 FR 47900 (August 10, 2015) (*Preliminary Results*). See also Memorandum from Jennifer Meek, International Trade Analyst, to the File, "Preliminary Results Program Description," for details regarding program "Law 488/92—Industrial Development Grants," August 4, 2015.

and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2778 or (202) 482-1293, respectively.

SUPPLEMENTARY INFORMATION:

Background

In the *Preliminary Results*, we indicated that we would seek clarification regarding La Molisana's use of Article 14 of Law 46/1982 and additional historical sales data from La Molisana and its parent company. We invited interested parties to file case briefs and rebuttal briefs following the release of the *Preliminary Results*. La Molisana filed a case brief. No other parties commented on the *Preliminary Results*. We also invited interested parties to comment on the additional information we solicited from La Molisana following the *Preliminary Results*; no additional comments were provided.

Scope of the Order

The scope of the *Order* consists of certain pasta from Italy.² The merchandise subject to the order is currently classifiable under items 1901.90.90.95 and 1902.19.20 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive. A full description of the scope of the *Order* is contained in the "Issues and Decision Memorandum for Final Results of Countervailing Duty Administrative Review: Certain Pasta from Italy," from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, dated February 12, 2016 (Issues and Decision Memorandum), and hereby adopted by this notice.

² See *Notice of Countervailing Duty Order and Amended Final Affirmative Countervailing Duty Determination: Certain Pasta ("Pasta") From Italy*, 61 FR 38544 (July 24, 1996) (*Order*).

The Issues and Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and available to all parties in the Central Records Unit, room 7046 of the main Department building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content. A list of topics discussed in the Issues and Decision Memorandum is provided in the Appendix to this notice.

Analysis of Comments Received

All issues raised in the case brief filed by La Molisana in this review are addressed in the Issues and Decision Memorandum, which is incorporated herein by reference. A list of the issues which parties raised, and to which we respond in the Issues and Decision Memorandum, follows as an appendix to this notice.

Changes Since the Preliminary Results

Based on additional information provided by La Molisana after the *Preliminary Results* at the Department's request, the Department corrected certain program calculations which affected the countervailable subsidy rate to be applied to La Molisana. For a full explanation of the changes made, see the Issues and Decision Memorandum.

Methodology

We have conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we determine that there is a subsidy, *i.e.*, a government-provided financial contribution that gives

rise to a benefit to the recipient, and that the subsidy is specific.³ In making these findings, we have relied, in part, on an adverse inference in selecting from among the facts otherwise available because we find that the GOI did not act to the best of its ability to respond to our requests for information regarding certain programs.⁴

Partial Rescission

In the *Preliminary Results*, we announced our intent to rescind the administrative review with respect to LMIA. As we stated in the *Preliminary Results*, the record demonstrates that LMIA ceased operations prior to the POR. Moreover, La Molisana reported that all entries shown in the entry data from Customs and Border Protection (CBP) as entries made by LMIA were of subject merchandise produced and exported by La Molisana. There is no record evidence that LMIA made entries of subject merchandise during the POR. Therefore, we are now rescinding the review with respect to LMIA.

Final Results of the Review

In accordance with 19 CFR 351.221(b)(5), we calculated individual subsidy rates for the mandatory respondents, DeMatteis and La Molisana.

We find the net countervailable subsidy rate for the producers and/or exporters under review to be as follows:

| Producer/Exporter | Net Subsidy Rate |
|---|-------------------------|
| DeMatteis Agroalimentare S.p.A. (also known as De Matteis Agroalimentare SpA) | 2.12 |
| La Molisana S.p.A. | 0.26 |

Disclosure

³ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity. For a full description of the methodology underlying our conclusions, see Issues and Decision Memorandum.

⁴ See sections 776(a) and (b) of the Act. For further discussion, see Issues and Decision Memorandum at “Use of Facts Otherwise Available and Adverse Inferences.”

We intend to disclose the calculations performed to interested parties within five days of the publication of these final results in accordance with 19 CFR 351.224(b).

Assessment Rates

Consistent with 19 CFR 351.212(b)(2), we intend to issue assessment instructions to the U.S. Customs and Border Protection (CBP) fifteen days after the date of publication of these final results. Because we have calculated a *de minimis* countervailable subsidy rate for La Molisana in the final results of this review, in accordance with 19 CFR 351.212 we will instruct CBP to liquidate the appropriate entries without regard to countervailing duties. For DeMatteis, we will instruct CBP to assess countervailing duties on the value of POR entries at the rate shown above.

Cash Deposit Requirements

In accordance with section 751(a)(2)(C) of the Act, we intend to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown above, for the companies listed above, with the exception of La Molisana, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. Because the countervailable subsidy rate for La Molisana is *de minimis*, the Department will instruct CBP to collect cash deposits at a rate of zero for La Molisana for all shipments of the subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed companies (except Barilla G. e R. F.lli S.p.A. and Gruppo Agricoltura Sana S.r.l., which are excluded from the order,⁵ and Pasta Lensi S.r.l., which was revoked from the *Order*⁶), we will instruct CBP to continue to collect cash deposits at the most recently assigned

⁵ See *Order*, 61 FR 38545.

⁶ See *Certain Pasta from Italy: Final Results of the Ninth Countervailing Duty Administrative Review and Notice of*

company-specific or all-others rate applicable to the company. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Administrative Protective Order

This notice serves as a final reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213.

Dated: February 12, 2016.

Paul Piquado,
Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum:

1. Summary
2. Background
3. Changes Since the Preliminary Results
4. Scope of the Order
5. Partial Rescission of the Administrative Review
6. Use of Facts Otherwise Available and Adverse Inferences
7. Subsidy Valuation Information

8. Loan Benchmarks and Discount Rates

9. Analysis of Programs

10. Analysis of Comments

Comment 1: Whether to Rescind the Review of LMIA

Comment 2: Entries Covered in La Molisana's Liquidation Instructions

Comment 3: Application of the Appropriate Sales Denominator

11. Recommendation

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